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**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

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Jane Dee Hull  
Governor

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Director

January 9, 2002

**WORKFORCE INFORMATION MEMO #12-01 - CHANGE 1**

**THIS INFORMATION MEMO SUPERSEDES WIM #12-01 Dated September 10, 2001**

**SUBJECT:** (1) **Clarification of Arizona's Priority of Service Policy for Adult, Title I-B Intensive and Training Services**  
(2) **Clarification of Definitions and Eligibility for employed Adults, Employed Dislocated workers, and Incumbent Workers**

**REFERENCES:** P.L. 105-220 Section (113)(b)(2)(A); 134(d)(4)(E); 188(a)(2), Workforce Investment Act (WIA) dated August 7, 1998; 20 CFR Part 652, et. al., Sections 663.220(a) and (b); 663.230; 663.310, 663.600, 665.220 WIA Final Rules dated August 11, 2000; Strategic Five-Year State Workforce Investment Plan for Title I of WIA and the Wagner-Peyser Act dated July 2000

**BACKGROUND:** Under Section 134(d)(4)(E) of WIA, if *adult* funds allocated to a Local Workforce Investment Area (LWIA) for employment and training activities *are limited*, then priority must be given to recipients of public assistance and other low-income individuals. [WIA Section 101(37) defines public assistance to mean "federal, state, or local government cash payments for which eligibility is determined by a needs or income test."] This directive applies to employment and training activities that extend beyond core services. WIA does not provide a definition of "limited funding". Rather, the Act recognizes that economic-related conditions are different from one LWIA to another and, therefore, require the state and each LWIA to work together to establish a process and priority system through which services can be provided equitably to eligible participants based on available funding.

As early as September 1999, local boards in Arizona were provided the flexibility via local plan requirements to develop a locally determined service priority system. The system of service priority should include consideration of other available funding sources for employment and training-related services such as TANF and the Welfare-to-Work program. In addition, the system should not preclude providing services to specific groups of individuals other than recipients of public assistance and other low-income individuals.

One of the most significant changes from the Job Training Partnership Act (JTPA) legislation to the Workforce Investment Act is the flexibility LWIAs have in providing intensive, training, and supportive services (those services which support intensive and training activities) to *employed adults*. Provision of services to employed adults using adult formula funds is based upon a locally determined definition of *self-sufficiency* which, at a minimum, must exceed 100% of the Lower Living Standard Income Level (LLSIL). Workforce Information Memo @02-01, dated June 5, 2001, provided LLSIL income guidelines for WIA PY 2001. If an individual's wages at registration are less than the locally-defined self-

sufficiency level, the individual may be eligible for intensive, training, and support services. The same is true for ***dislocated workers who are employed*** at the time of WIA registration. They, too, may be eligible for WIA intensive, training, and support services funded by dislocated worker formula funds, based on the same criteria regarding self-sufficiency as noted above.

For ***incumbent workers***, there are ***no eligibility requirements specified in WIA regulations***. Intensive, training, and support services for incumbent worker activities are funded through state set-aside funds, which are a combination of funds from the adult, dislocated worker, and youth funding streams. Enrollment of individuals as incumbent workers into WIA-related programs and services is a local decision. Therefore, under WIA, an incumbent worker is defined as an individual who is employed, but does not have to meet the eligibility requirements specified above for intensive and training services for employed adults and dislocate workers.

Local boards should take special care when establishing priority of service and self-sufficiency policies and process. Each local area's WIA PY 2000 performance levels were negotiated based on a specific set of local criteria, and these criteria should play an important part in each area's decisions regarding services to adult participants.

Each local board should encourage its One-Stop operators and their partner agencies to provide services based on each individual's employment and training needs. WIA Regulations support such individualized assessment, and discourage strict sequence of service policies (i.e., establishing a minimum duration or minimum service limit as a condition of moving an individual to the next tier of service).  
EXAMPLE: A dislocated worker can participate in a job club (core service) offered by Job service, have WIA Title 1-B eligibility completed (core service), and, if he/she is unable to find a job due to obsolete skills, be moved directly into WIA case management (intensive service) for a needs assessment. The needs assessment may result in placement of the dislocated worker into training to enhance his/her existing skills and eventually lead to re-employment. All of the services in this example can be provided within a matter of days depending on availability of training.

**ACTION REQUIRED:** Each LWIB shall develop a methodology for determining when funding will be considered "limited", together with a priority system that delineates the groups of individuals to whom services will be provided within the context of limited funding. The foundation of this methodology should demonstrate a direct relationship to individuals awaiting entry into intensive and training services.

When a local board makes the determination that a limited funds/priority of service methodology is unnecessary (i.e. no one awaiting entry into intensive or training services), the board must notify the state in writing of the following:

1. Intent not to implement the priority system
2. A justification for such action which will include at a minimum the following information:
  - Amount of funding and funding sources available for the adult population in the local area including, but not limited, TANF, WtW, and Other Grant Funding
3. Outline of activities/processes which ensures that no individuals receiving public assistance or other low-income individuals are excluded from participation in or denied the benefits of local area services [Ref: WIA Law, Section 188(a)(2) and 29 CFR 37.6(b)(1-6)]
4. Availability to the methodology regarding limited funding/priority of service to the general public

If a local board reverses its position on limited funding/priority of service, the board must apprise the state in writing. Further, if a local board votes to modify its definition of self-sufficiency as described in the local plan, the board should forward a letter to the Workforce Development Administration delineating the modified definition of self-sufficiency and the reason(s) behind the modification, immediately upon such action by the local board.

If you have any questions, please contact Ms. Pat Gregan, Policy Specialist, at (602) 542-2490.

Sincerely,

A handwritten signature in black ink that reads "Stan Flowers". The signature is written in a cursive, flowing style.

Stan Flowers  
Acting Program Administrator  
Workforce Development Administration

SF:PG:mb

Cc: Ms. Deanna Khemani, Department of Labor  
Ms. Elaine Tom-Yates, Department of Labor